



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 52

Hearing Date: January 18, 2005

Committee On: Agriculture

Introducer(s): (Kremer)

Title: Change provisions relating to grain dealers, grain warehouses, and measuring devices

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

7	Yes	Senator(s) Kremer, Wehrbein, Preister, Burling, Cunningham, Erdman, Fischer
0	No	
0	Present, not voting	
1	Absent	Senator Chambers

Proponents:

Rick Leonard

Jerry Vap

John Fecht

Representing:

Introducer

Nebraska Public Service Commission

Nebraska Public Service Commission

Opponents:

Representing:

Neutral:

Robert Andersen

Pat Ptacek

Representing:

Nebraska Cooperative Council

Nebraska Grain and Feed Association

Summary of purpose and/or changes:

LB 52 is brought at the request of the Public Service Commission largely to make cleanup changes to the grain laws consistent with LB 735 enacted during the 2003 session and to provide for inspection of certain devices that measure test weight of grain samples that currently are not inspected or certified for official test weight uses.

Section-by-Section Summary:

Section 1: Amends §75-903 of the Nebraska Grain Dealer Act to clarify that calculation of dealer security is based on purchase activity during the dealer's fiscal year. Section 1 further amends statutory requirements for obtaining or maintaining licensure as a grain dealer by

specifying credentials of persons who prepare financial statements filed with the Public Service Commission. As amended, such statements are to be prepared by an independent public accountant or independent certified public accountant and in accordance with accounting principles generally accepted.

Section 2: Revises rules for timeliness of actions by sellers under §75-905 to have recourse to a dealer's bond or other security. Currently this section prescribes separate procedures and notification period when a seller delivers grain to a dealer in multiple shipments under one contract. LB 52 establishes a consistent rule applicable to all deliveries or transfers of possession to a dealer, whether in a single or multiple shipments.

Section 3: Amends §88-528 of the Nebraska Grain Warehouse Act to substitute intended terminology for the accounting standards to be utilized in the preparation of financial statements submitted by warehouse licensees and applicants. This section also inserts an omitted harmonization to an amendment attached during the original enactment of LB 735 that preserved an option to submit a reviewed, rather than audited, financial statement as part of licensing requirements.

Section 4: Amends §88-530.01 of the Grain Warehouse Act which allows the Public Service Commission to require licensees to submit an audited financial statement if the Commission has cause to request it. This section, added by LB 735, was intended to apply only to licensees who annually submit only reviewed financial statements as part of the license application or renewal process. LB 52 corrects this section to be consistent with original intent. This section is further harmonized with changes elsewhere in the bill.

Section 5 & 6: Amends §89-1,105 to authorize the Commission to inspect for the accuracy of test weight readings of devices used to ascertain test weight and moisture. Currently, the commission may only inspect for accuracy of moisture measurements. This section would become operative on January 1, 2006.

Sections 7 & 8: repealers

Explanation of amendments, if any:

The committee amendments essentially attach a modified version of LB 222 also heard by the Agriculture Committee. As introduced, LB 222 would have eliminated a requirement for having a criminal history check performed as part of the licensure requirement for grain warehouses and grain dealers. The committee amendment attaches two new sections to LB 52 that amend §75-903.02 of the Nebraska Grain Dealer Act and §88-528.01 of the Grain Warehouse Act. Both sections prescribe procedures for obtaining a criminal history check to meet licensure requirements for grain dealers and warehouses. The amendment does not eliminate the criminal history requirement but authorizes the Public Service Commission to waive the requirement for submitting to a separate background check if the license applicant is subject to a background check for other licensure requirements.

Senator Bob Kremer, Chairperson